Prediction: These Will Be 2 of the Strongest TSX Stocks in 2023

### Description

The **TSX** remains a volatile place, especially after the Bank of Canada increased the interest rate to 4.5%. This is the highest it's been since April 2008. And it's no wonder then that the TSX dropped even further in the last week.



Even so, 2023 will be different. Maybe not at first, but it certainly will see growth eventually. Especially from one sector that saw a drop after just a hint of a future recession.

## And that sector is…

The tech sector! As I'm sure you're aware, this sector saw immense growth in the last few years. That growth came crashing down when just a whiff of recession worries hit the air. Recessionary headwinds caused tech stocks and other growth stocks to fall. And frankly, many of these companies have yet to recover.

But here's the thing. We're heading for a potential recession in 2023, sure. Yet, analysts and economists believe that the economy should start to recover by mid-2023. Due to this, there's bound to be a surge in share prices in sectors that have long been forgotten. Those that could potentially see a huge rebound after years of remaining at low prices.

And I believe that will be the tech sector. Tech stocks have been the hardest hit TSX stocks, and because of this I believe they're due for the biggest rebound. But of these TSX stocks, I think the best performers for 2022 will be **WELL Health Technologies** (TSX:WELL) and **goeasy** (TSX:GSY).

## Why these two?

WELL stock and GSY stock are similar in the fact that despite the fall among tech stocks, both continue to perform incredibly well. Not only are they beating out analyst estimates, but also producing record-setting results quarter after quarter.

In the case of WELL stock, the company reported record quarterly revenue of $145.8 million, up 47% year over year. Further, it reported record adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), up 23% year over year. And this came from *organic* growth, rather than the company's many acquisitions over the last few years.

The earnings report also included guidance for an increase in 2022 annual revenue. The company now expects over $565 million, up from $550 million in revenue. It also forecasts over $100 million in adjusted EBITDA, and exit run-rate revenue near $700 million in 2023.

GSY stock is just as impressive. During its most recent earnings report, the lender reported record operating income and net customer growth. Revenue was up 24% to $225 million, with the average loan book per branch improving 16% as well.

This marked the 50th consecutive quarter of same-store revenue growth, *85th* consecutive quarter of positive net income, and 18th consecutive year of paying dividends. Further, the dividend has enjoyed eight consecutive years of growth, currently at 3.1% as of writing.

## Yet, still a deal!



All considered, WELL stock and GSY stock remain solid deals. GSY stock has more fundamentals to admire, given its long history. Shares currently trade at just 11.9 times earnings, and 2.5 times book value. Furthermore, GSY is down about 35% year to date.

As for WELL stock, it's a similar story of strong fundamentals and poor share performance. WELL stock trades at just 0.99 times book value and 1.25 times sales, and it would only take 46.4% of its equity to cover *all* its debts. Yet again, shares are down 41% year to date!

Given all this strength, these are the TSX stocks that will simply soar once we're through a recession. And even sooner if investors are smart. That's because both have a long-term growth strategy in sectors that will remain stable and strong. And frankly, they have the numbers to prove it.

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2. Tech Stocks

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alegatewolfe